

CONTRACT #4
RFS # 329.01-097

Department of Correction

VENDOR:
Correctional Counseling, Inc.

REQUEST: NON-COMPETITIVE AMENDMENT

APPROVED

Commissioner of Finance & Administration

Date:

Each of the request items below indicates specific information that must be individually detailed or addressed as required. A REQUEST CAN NOT BE CONSIDERED IF INFORMATION PROVIDED IS INCOMPLETE, NON-RESPONSIVE, OR DOES NOT CLEARLY ADDRESS EACH OF THE REQUIREMENTS INDIVIDUALLY AS REQUIRED.

RFS #	329.01-097		
STATE AGENCY NAME :	Department of Correction		
SERVICE CAPTION :	In-Prison Alcohol and Drug Treatment Services		
CONTRACT #	FA-02-14826-00	PROPOSED AMENDMENT #	Two
CONTRACTOR :	Correctional Counseling, Inc.		
CONTRACT START DATE :	09/01/01		
CURRENT, LATEST POSSIBLE END DATE : (including ALL options to extend)	06/30/06		
CURRENT MAXIMUM LIABILITY :	\$1,554,436.00		
LATEST POSSIBLE END DATE <u>WITH</u> PROPOSED AMENDMENT : (including ALL options to extend)	06/30/06		
TOTAL MAXIMUM COST <u>WITH</u> PROPOSED AMENDMENT : (including ALL options to extend)	1,980,036.00		
APPROVAL CRITERIA : (select one)	<input checked="" type="checkbox"/> use of Non-Competitive Negotiation is in the best interest of the state <input type="checkbox"/> only one uniquely qualified service provider able to provide the service		
ADDITIONAL REQUIRED REQUEST DETAILS BELOW (address each item immediately following the requirement text)			
(1) description of the proposed additional service and amendment effects :			
This amendment (Amendment #2) extends the contract from September 1, 2001 thru June 30, 2006, for the in-prison, comprehensive alcohol and drug treatment services based on a Therapeutic Community (TC) Model for the incarcerated felony drug offenders without interruption of services. This is a one year extension request (July 1, 2005 through June 30, 2006). No additional services requested.			
(2) explanation of need for the proposed amendment :			

This proposed amendment is to provide continuity of the in-prison, comprehensive alcohol and drug treatment services based on a Therapeutic Community (TC) Model for the incarcerated felony drug offenders without interruption of services.

(3) **name and address of the proposed contractor's principal owner(s) :**
(not required if proposed contractor is a state education institution)

Kenneth D. Robinson, Correctional Counseling, Inc.--3155 Hickory Hill Road--Memphis, TN 38115

(4) **documentation of OIR endorsement of the Non-Competitive procurement request :**
(required only if the subject service involves information technology)

select one:



Documentation Not Applicable to this Request



Documentation Attached to this Request

(5) **documentation of Department of Personnel endorsement of the Non-Competitive procurement request :**
(required only if the subject service involves training for state employees)

select one:



Documentation Not Applicable to this Request



Documentation Attached to this Request

(6) **description of procuring agency efforts to identify reasonable, competitive, procurement alternatives rather than to use non-competitive negotiation :**

Based on the services provided and the rates in the contract, we believe extending the contract is in the best interest of the State so as not to interrupt this care..

(7) **justification of why the F&A Commissioner should approve a Non-Competitive Amendment :**

Because of the need to continue these services to inmates and due to the time factor, we believe the non-competitive amendment should be granted.

AGENCY HEAD REQUEST SIGNATURE:

(must be signed by the ACTUAL procuring agency head as detailed on the Signature Certification on file with OCR — signature by an authorized signatory will be accepted only in documented exigent circumstances)



SIGNATURE DATE:

3/18/05

**AMENDMENT TWO
TO CONTRACT FA-02-14826-00**

This Contract, by and between the State of Tennessee, Department of Correction, hereinafter referred to as the State, and Correctional Counseling, Inc, hereinafter referred to as the Contractor, is hereby amended as follows:

1. Delete Section B.1 in its entirety and insert the following in its place:

B.1. Contract Term. This Contract shall be effective for the period commencing on September 1, 2001, and ending on June 30, 2006. The State shall have no obligation for services rendered by the Contractor which are not performed within the specified period.

2. Delete Section C.1 in its entirety and insert the following in its place:

C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed **one million nine hundred eighty thousand thirty-six dollars (\$1,980,036.00)**. The Payment Rates in Section C.3 shall constitute the entire compensation due the Contractor for the Service and all of the Contractor's obligations hereunder regardless of the difficulty, materials or equipment required. The Payment Rates include, but are not limited to, all applicable taxes, fees, overheads, profit, and all other direct and indirect costs incurred or to be incurred by the Contractor.

The Contractor is not entitled to be paid the maximum liability for any period under the Contract or any extensions of the Contract for work not requested by the State. The maximum liability represents available funds for payment to the Contractor and does not guarantee payment of any such funds to the Contractor under this Contract unless the State requests work and the Contractor performs said work. In which case, the Contractor shall be paid in accordance with Payment Rates detailed in Section C.3. The State is under no obligation to request work from the Contractor in any specific dollar amounts or to request any work at all from the Contractor during any period of this Contract.

The other terms and conditions of this contract not amended hereby shall remain in full force and effect.

IN WITNESS WHEREOF:

CORRECTIONAL COUNSELING, INC.

Dr. Kenneth D. Robinson, President

Date

DEPARTMENT OF CORRECTION

Quenton I. White, Commissioner**Date****APPROVED:****DEPARTMENT OF FINANCE AND ADMINISTRATION:**

M. D. Goetz, Jr., Commissioner**Date****COMPTROLLER OF THE TREASURY:**

John G. Morgan, Comptroller of the Treasury**Date**

PHIL BREDESEN
GOVERNOR



QUENTON I. WHITE
COMMISSIONER

STATE OF TENNESSEE
DEPARTMENT OF CORRECTION
FOURTH FLOOR, RACHEL JACKSON BUILDING
NASHVILLE, TENNESSEE 37243-0465
Office (615) 253-8139 Fax (615) 532-8281

March 17, 2005

RECEIVED

MAR 24 2005

FISCAL REVIEW

The Honorable M. D. Goetz, Jr.
Commissioner of Finance and Administration
VIA: Office of Contracts Review
12th Floor, W. R. Snodgrass Tennessee Tower
Nashville, Tennessee 37243-1700

Dear Commissioner Goetz:

The Department of Correction requests approval for a non-competitive amendment to the contract between the Department of Correction and Correctional Counseling Services, Inc. (CCI), FA-02-14826-00. This letter details information required pursuant to Department of Finance and Administration rules and policy.

1. The proposed amendment would effect the following:

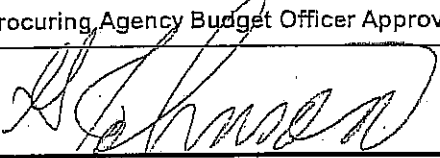
This amendment would allow an extension of one (1) year to the term, and increase the amount of the maximum liability to cover costs.

2. The current contract expires June 30, 2005. The proposed amendment would extend the contract through June 30, 2006 and increase the state's maximum liability accordingly. The amendment is necessary to provide continuity of the in-prison, comprehensive alcohol and drug treatment services based on a Therapeutic Community (TC) Model for the incarcerated felony drug offenders without interruption of services beyond June 30, 2005.
3. CCI is a wholly owned and operated company of:

Dr. Kenneth D. Robinson
Correctional Counseling, Inc.
3155 Hickory Hill Road
Memphis, TN 38115

4. Not Applicable.
5. Not Applicable.

C O N T R A C T S U M M A R Y S H E E T

RFS Number: 329.01-097		Contract Number: FA-02-14826-01	
State Agency: Department of Correction		Division: Admin - Substance Abuse	
Contractor		Contractor Identification Number	
Correctional Counseling, Inc.		<input checked="" type="checkbox"/> V- <input type="checkbox"/> C-	621411145
Service Description			
In-Prison Alcohol and Drug Treatment Services			
Contract Begin Date		Contract End Date	
9/1/01		6/30/05	
Allotment Code	Cost Center	Object Code	Fund
329.01	47	084	11
		<input checked="" type="checkbox"/> on STARS	013
FY	State Funds	Federal Funds	Total Contract Amount (including ALL amendments)
2002	92,500.00	277,500.00	370,000.00
2003	95,500.00	286,400.00	381,900.00
2004	98,400.00	295,000.00	393,400.00
2005	409,136.00		409,136.00
Total:	695,536.00	858,900.00	1,554,436.00
CFDA #	Check the box ONLY if the answer is YES:		
State Fiscal Contact		Is the Contractor a SUBRECIPIENT? (per OMB A-133)	<input checked="" type="checkbox"/>
Name:	Garland Johnson	Is the Contractor a VENDOR? (per OMB A-133)	<input type="checkbox"/>
Address:	3 rd Floor, Rachel Jackson Bldg.	Is the Fiscal Year Funding STRICTLY LIMITED?	<input type="checkbox"/>
Phone:	741-1000 ext. 3003	Is the Contractor on STARS?	<input checked="" type="checkbox"/>
Procuring Agency Budget Officer Approval Signature		Is the Contractor's FORM W-9 ATTACHED?	<input type="checkbox"/>
		Is the Contractors Form W-9 Filed with Accounts?	<input checked="" type="checkbox"/>
		Funding Certification	
COMPLETE FOR ALL AMENDMENTS (only)			Pursuant to T.C.A., Section 9-6-113, I, M. D. Goetz, Jr., Commissioner of Finance and Administration, do hereby certify that there is a balance in the appropriation from which this obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred.
	Base Contract & Prior Amendments	This Amendment ONLY	
END DATE →	6/30/04	6/30/05	
FY: 2002	370,000.00		
FY: 2003	381,900.00		
FY: 2004	393,400.00		
FY: 2005		409,136.00	
FY:			
Total:	1,145,300.00	409,136.00	

RECEIVED
 2004 JUL 22 PM 3:05
 COMPTROLLER'S OFFICE
 OFFICE OF
 MANAGEMENT SERVICES

JUL 27 2004

**AMENDMENT ONE
TO CONTRACT FA-02-14826-00**

This Contract, by and between the State of Tennessee, Department of Correction, hereinafter referred to as the State, and Correctional Counseling, Inc, hereinafter referred to as the Contractor, is hereby amended as follows:

1. Delete Section B.1 in its entirety and insert the following in its place:

B.1. Contract Term. This Contract shall be effective for the period commencing on September 1, 2001, and ending on June 30, 2005. The State shall have no obligation for services rendered by the Contractor which are not performed within the specified period.

2. Delete Section B.2 in its entirety and insert the following in its place:

B.2. Term Extension. The State reserves the right to extend this Contract for one additional one-year period, provided that the State notifies the Contractor in writing of its intention to do so at least sixty (60) days prior to the contract expiration date. An extension of the term of this Contract will be effected through an amendment to the Contract. If the extension of the Contract necessitates additional funding beyond that which was included in the original Contract, the increase in the State's maximum liability will also be effected through an amendment to the Contract and shall be based upon rates provided for in the original contract.

3. Delete Section C.1 in its entirety and insert the following in its place:

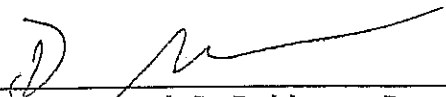
C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed one million five hundred fifty-four thousand four hundred thirty-six dollars (\$1,554,436.00). The Payment Rates in Section C.3 shall constitute the entire compensation due the Contractor for the Service and all of the Contractor's obligations hereunder regardless of the difficulty, materials or equipment required. The Payment Rates include, but are not limited to, all applicable taxes, fees, overheads, profit, and all other direct and indirect costs incurred or to be incurred by the Contractor.

The Contractor is not entitled to be paid the maximum liability for any period under the Contract or any extensions of the Contract for work not requested by the State. The maximum liability represents available funds for payment to the Contractor and does not guarantee payment of any such funds to the Contractor under this Contract unless the State requests work and the Contractor performs said work. In which case, the Contractor shall be paid in accordance with Payment Rates detailed in Section C.3. The State is under no obligation to request work from the Contractor in any specific dollar amounts or to request any work at all from the Contractor during any period of this Contract.

The other terms and conditions of this contract not amended hereby shall remain in full force and effect.

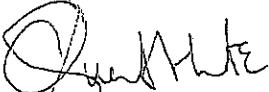
IN WITNESS WHEREOF:

CORRECTIONAL COUNSELING, INC.


Dr. Kenneth D. Robinson, President

6/16/04
Date

DEPARTMENT OF CORRECTION


Quenton I. White, Commissioner

7-1-04
Date

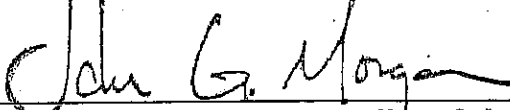
APPROVED:

DEPARTMENT OF FINANCE AND ADMINISTRATION:

M. D. Goetz, Jr. / PW
M. D. Goetz, Jr., Commissioner

JUL 22 2004
Date

COMPTROLLER OF THE TREASURY:


John G. Morgan, Comptroller of the Treasury

7/23/04
Date

CONTRACT SUMMARY SHEET

Contract Number		FA-02-14826-00		State Agency		Department of Correction	
RFS Number		329.01-097		Division		Operations — Substance Abuse	
Contractor				Vendor ID Number			
Correctional Counseling, Inc.				<input checked="" type="checkbox"/> V <input type="checkbox"/> C		621411145	
Service Description							
In-Prison Alcohol and Drug Treatment Services							
Contract Begin Date				Contract End Date			
09/01/01				06/30/04			
Allotment Code	Cost Center	Object Code	Fund	Grant	Grant Code	Subgrant Code	
329.01	47	084	11	<input checked="" type="checkbox"/> on STARS	013		
FY	State Funds	Federal Funds	Interdepartmental Funds	Other Funding	Total Contract Amount (including ALL amendments)		
2002	\$92,500.00	\$277,500.00			\$370,000.00		
2003	95,500.00	286,400.00			381,900.00		
2004	98,400.00	295,000.00			393,400.00		
Total	\$286,400.00	\$858,900.00			\$1,145,300.00		
<input checked="" type="checkbox"/> Fiscal Year Funding Is Strictly Limited				CFDA Number			
<input checked="" type="checkbox"/> Contractor is on STARS				State Fiscal Contact			
<input checked="" type="checkbox"/> Current Form W-9 On File With Accounts OR <input type="checkbox"/> Form W-9 Attached				Name		Catherine Posey	
				Address		3rd Floor, Rachel Jackson Building	
				Phone		741-1000 ext. 3002	
<input checked="" type="checkbox"/> Service Provider Registered with F&A				Procuring Agency Budget Officer Approval Signature			
<input checked="" type="checkbox"/> Contractor is a SUBRECIPIENT (as defined by OMB Circular A-133)				<div style="text-align: center;"> 12/18/01 </div>			
COMPLETE FOR ALL AMENDMENTS (only)				Funding Certification			
		Base Contract & Prior Amendments	This Amendment ONLY	Pursuant to T.C.A., Section 9-6-113, I, C. Warren Neel, Commissioner of Finance and Administration, do hereby certify that there is a balance in the appropriation from which this obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred.			
Contract End Date							
FY							
FY							
FY							
FY							
Total				OCR Use Only <div style="float: right; text-align: right;"> 2002 JAN - 7 PM 12:28 RECEIVED COMPTROLLER'S OFFICE OFFICE OF MANAGEMENT SERVICES </div>			

JAN 10 2002

DIRECTOR OF ACCOUNTS

**CONTRACT
BETWEEN THE STATE OF TENNESSEE
DEPARTMENT OF CORRECTION
AND
CORRECTIONAL COUNSELING, INC.**

This Contract, by and between the State of Tennessee, Department of Correction, hereinafter referred to as the "State" and Correctional Counseling, Inc., hereinafter referred to as the "Contractor," is for the provision of In-Prison Residential Alcohol and Drug Treatment Services, as further defined in the "SCOPE OF SERVICES."

The Contractor is a for-profit corporation. The Contractor's address is:

3155 Hickory Hill
Suite 104
Memphis, TN 38115

The Contractor's place of incorporation or organization is Tennessee.

A. SCOPE OF SERVICES:

A.1. General Program Requirements

- A.1.a. The Contractor shall develop and implement a six (6) to twelve (12) month in-prison, comprehensive alcohol and drug treatment program based on a Therapeutic Community (TC) model for incarcerated felony drug offenders.
- A.1.b. The Contractor shall design and implement a treatment program that includes the following treatment elements:
 - A.1.b.(1) Classic Therapeutic Community Structure
 - A.1.b.(1)(a) Encounter Groups
 - A.1.b.(1)(b) Job functions
 - A.1.b.(1)(c) House rules
 - A.1.b.(1)(d) Community dynamics (such as pull-ups, big sister/little sister, role modeling, awareness sessions, peer support/interaction, peer hierarchy, learning experiences, etc.)
 - A.1.b.(1)(e) Community meetings
 - A.1.b.(2) Assessment

- A.1.b.(3) Drug Education
- A.1.b.(4) Substance Abuse Treatment
- A.1.b.(5) Individual and Group Counseling
- A.1.b.(6) Drug Testing

A.1.c. The Contractor shall provide treatment services for a minimum of 144 offenders on an annual basis. All treatment services shall be conducted in accordance with TDOC Policy #113.95. Three separate programs will be provided. The institutions and the number of participants in each program are as follows: Tennessee Prison for Women (TPW) 64 participants, Northwest Correctional Complex (NWCX) 48 participants, and Mark Luttrell Correctional Center (MLCC) 32 participants. The Contractor's treatment program shall include the following phases:

- A.1.c.(1) Phase I – Orientation. This is the initial phase of the program. During this phase a needs assessment is conducted and a treatment plan is prepared. Program participants are oriented to the Therapeutic Community Model and program rules and regulations. This phase of the program should last a minimum of thirty (30) days. During this phase each offender shall receive a minimum of fifteen (15) hours of documented therapeutic activities per week. Therapeutic activities may be divided between in-prison community service work, drug education programming, or group counseling sessions.
- A.1.c.(2) Phase II – Main Treatment. This is the intensive stage of treatment in which each offender shall receive a minimum of twenty (20) hours of documented therapeutic activities per week. During this phase offenders may be involved in any one or a combination of the following activities: drug education, individual and group treatment, and academic and vocational programming (where academic and vocational programs are available). During this phase offenders shall also be encouraged to participate in structured self-help groups. This phase of treatment should last a minimum of six (6) to nine (9) months.
- A.1.c.(3) Phase III – Reintegration. During this phase offenders are preparing for community release or release to the general population. The primary focus of this phase shall be on addressing transitional issues. All program participants shall be required to develop a life plan. This plan is for the participant to develop with assistance from the counselor. It includes information such as housing arrangements, family/marital plans, education, employment, legal issues, continued treatment services, etc. Each offender shall receive approximately seven (7) hours of documented

therapeutic activities per week. Therapeutic activities may include any one or a combination of the following activities, individual and group counseling, vocational skills development, work programs, and participation in self-help groups. This phase should last a minimum of one (1) month. Program participants that have successfully completed this phase of treatment shall be successfully terminated from the Therapeutic Community.

- A.1.d. The Contractor shall develop, in concert with the State, clear, distinct, and documented criteria for movement from one phase to the next.

A.2. Treatment Services

- A.2.a. The Contractor shall use the TDOC Intake Assessment form and Texas Christian University Drug Screen (TCUDS) to assess participants' needs and treatment plan development as specified in TDOC Policy.
- A.2.b. The Contractor shall address the following issues when developing the treatment plan: addiction severity, drug use, prior treatment, and other social and health related information. All program participants shall have an individual treatment plan. All treatment plans shall be reviewed and updated every six (6) months.
- A.2.c. The contractor shall conduct an initial assessment. A follow-up assessment shall be conducted within four (4) to six (6) weeks prior to program release on each program participant to measure change over time. The assessment instruments to be used must be approved by the State's Director of Substance Abuse Programs.
- A.2.d. The Contractor shall be responsible for providing all approved daily treatment and programming activities within the TC. The Contractor shall provide therapeutic activities five (5) days per week, except for State holidays.
- A.2.e. Treatment programming shall be designed for the appropriate gender being treated and shall focus on areas such as guilt, wellness, depression, sexually transmitted diseases, anger, sexual abuse, co-dependency, powerlessness, responsibility, fulfillment and self-actualization, incest, sexual dysfunction, battering, relationships, shame, self image and self esteem, parenting, leisure time planning, criminal thinking, spirituality, nutrition, victims' rights, and choices.
- A.2.f. The Contractor shall normally limit treatment group sessions to twenty-five (25) participants or less. Drug education class sizes shall normally be limited to forty (40) participants or less.

- A.2.g. Drug education shall include classroom instruction on thinking errors, criminal behavior, drugs, their effects, and consequences. Each program participant will receive a minimum of ten (10) weeks or twenty-six (26) hours of drug education.
- A.2.h. The Contractor shall offer programming that includes cognitive skills development and changing criminal thinking. Programming shall be designed to meet the participants' specific needs.
- A.2.i. The Contractor shall encourage and incorporate into the treatment program peer support and role modeling.
- A.2.j. The Contractor shall provide opportunities for program participants to be involved with weekly structured self-help group meetings through Alcoholics Anonymous (AA) and Narcotics Anonymous (NA). Attendance will be encouraged by the Contractor.
- A.2.k. The Contractor shall also offer bi-weekly follow-up or aftercare session for program graduates to monitor progress and provide support.
- A.2.l. The Contractor shall provide programming which meets the unique needs and concerns of racial or ethnic minority individuals, including such factors as cultural orientations, beliefs, and value systems relevant to this population.
- A.3. Urinalysis Testing
 - A.3.a. Urinalysis testing shall be used as part of the treatment program as a tool for monitoring program compliance and to identify problems.
 - A.3.b. All program-related drug screens shall be conducted in accordance with TDOC Policy 506.21 and TDOC Policy 113.95.
 - A.3.b.(1) All program participants shall receive an initial drug and alcohol screen. All positive screens shall be confirmed through the use of a second methodology.
 - A.3.b.(2) All positive drug screens shall be retested after thirty (30) days.
 - A.3.b.(3) The Contractor shall comply with the State's policy and procedures regarding urinalysis testing, chain of custody, and sanctions for positive drug screens.
- A.4. Staffing
 - A.4.a. The Contractor shall be responsible for recruiting, training, and supervising all contract treatment and counseling staff. All clinical treatment services shall

be provided by licensed alcohol and drug counselors or trained counseling staff.

A.4.b. The Contractor shall coordinate staff vacations and other planned absences, making every effort to ensure that at least one counselor is available to provide services.

A.4.c. The Contractor's staffing pattern shall include, at a minimum the following:

Tennessee Prison for Women two (2) licensed substance abuse counselors
two (2) non-licensed substance abuse counselors

Mark Luttrell Correctional Center one (1) licensed substance abuse counselor
one (1) non-licensed substance abuse counselors

Northwest Correctional Complex one (1) licensed substance abuse counselor
one (1) non-licensed substance abuse counselors

A.4.d. Staff selected by the Contractor for employment on this project shall be asked if they have any association or affiliation with any inmate or offender under any type of supervision by the Tennessee Department of Correction or the Board of Probation and Parole. If any such association or affiliation exists, written approval from the State shall be required prior to employment.

A.4.e. Prior to employment with the Contractor, applicants shall be subjected to a thorough background investigation. Criminal and employment histories must go back a minimum of five (5) years. Said background investigations shall be available to the State upon request. The Contractor shall immediately request a "Criminal History Request" from the National Crime Information Center (NCIC) to be completed on each individual hired to work at a Facility. The request shall be forwarded to the State and processed in accordance with procedures established by the Commissioner of TDOC. In no instance may an employee begin work in a facility until the NCIC check has been completed; however, the employee may participate in pre-service training while the check is in process. The State shall notify the Contractor whether or not the employee is cleared for further consideration for employment. The criminal history obtained from NCIC or FBI may be used solely for the purpose requested, and may not be disseminated outside the Department of Correction or the affected employee.

- A.4.f. The Contractor, its employees, and others acting under the Contractor's control shall at all times observe and comply with all applicable State statutes, Tennessee Department of Correction policies and procedures, and institutional policies and procedures. The Contractor and its employees shall at all times adhere to Tennessee Department of Correction policies regarding security, custody, and control of inmates.
- A.4.g. The contractor shall not obstruct the Department of Correction nor any of its designated officials from performing their duties in the maintenance of a secure and safe correctional environment.
- A.4.h. The Contractor's staff shall be required to attend thirty-two (32) hours of institutional pre-service training.

A.5. Administrative Requirements

- A.5.a. The Contractor shall develop clearly defined treatment goals and measurable outcomes that directly relate to the program's objectives.
- A.5.b. The Contractor shall present to the State a description of the procedures that shall be used to track and evaluate program outcomes.
- A.5.c. The Contractor shall maintain, for all program participants, monthly progress reports that outline program participants' progress toward completion of treatment goals.
- A.5.d. The Contractor shall be responsible for completing and submitting all State program forms including, TCUDS (if not provided by TDOC classification staff), monthly program statistical report, intake report forms, and discharge summaries.
- A.5.e. The Contractor shall maintain complete clinical case files on all program participant. All case files shall be secured in a locked cabinet and in accordance with federal regulations governing "Confidentiality of Alcohol and Drug Abuse Patient Records" (42 CFR, Part 2).
- A.5.f. The Contractor, in concert with the Department of Correction, shall establish a system of rewards and graduated sanctions.
- A.5.g. The Contractor and the State shall jointly develop and maintain standardized operating and disciplinary procedures.

B. CONTRACT TERM:

- B.1. Contract Term. This Contract shall be effective for the period commencing on September 1, 2001, and ending on June 30, 2004. The State shall have no

obligation for services rendered by the Contractor which are not performed within the specified period.

- B.2. Term Extension. The State reserves the right to extend this Contract for two additional one-year periods, provided that the State notifies the Contractor in writing of its intention to do so at least sixty (60) days prior to the contract expiration date. An extension of the term of this Contract will be effected through an amendment to the Contract. If the extension of the Contract necessitates additional funding beyond that which was included in the original Contract, the increase in the State's maximum liability will also be effected through an amendment to the Contract and shall be based upon rates provided for in the original contract.

C. PAYMENT TERMS AND CONDITIONS:

- C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed one million one hundred forty-five thousand seven hundred seventy-nine dollars (\$1,145,779.00). The maximum liability of the State shall not exceed \$313,747.00 during the period September 1, 2001, through June 30, 2002; \$407,880.00 during the period July 1, 2002, through June 30, 2003; and \$424,152.00 during the period July 1, 2003, through June 30, 2004. The Payment Rates in Section C.3 shall constitute the entire compensation due the Contractor for the Service and all of the Contractor's obligations hereunder regardless of the difficulty, materials or equipment required. The Payment Rates include, but are not limited to, all applicable taxes, fees, overheads, profit, and all other direct and indirect costs incurred or to be incurred by the Contractor.

The Contractor is not entitled to be paid the maximum liability for any period under the Contract or any extensions of the Contract for work not requested by the State. The maximum liability represents available funds for payment to the Contractor and does not guarantee payment of any such funds to the Contractor under this Contract unless the State requests work and the Contractor performs said work. In which case, the Contractor shall be paid in accordance with Payment Rates detailed in Section C.3. The State is under no obligation to request work from the Contractor in any specific dollar amounts or to request any work at all from the Contractor during any period of this Contract.

- C.2. Compensation Firm. The Payment Rates in Section C.3 and the maximum liability of the State under this Contract are firm for the duration of the Contract and are not subject to increase for any reason unless amended.
- C.3. Payment Methodology. The Contractor shall be compensated based on the Payment Rates herein for units of service authorized by the State in a total amount not to exceed the Contract Maximum Liability established in Section C.1.

The Contractor shall be compensated based upon the following Payment Rates:

<u>SERVICE</u>	<u>PAYMENT RATE PER HOUR</u>
<u>September 1, 2001– June 30, 2002</u>	
Licensed Substance Abuse Counselor	\$29.17
Non-licensed Substance Abuse Counselor	\$25.30
<u>July 1, 2002– June 30, 2003</u>	
Licensed Substance Abuse Counselor	\$30.34
Non-licensed Substance Abuse Counselor	\$26.31
<u>July 1, 2003– June 30, 2004</u>	
Licensed Substance Abuse Counselor	\$31.55
Non-licensed Substance Abuse Counselor	\$27.36
<u>July 1, 2004– June 30, 2005 (Contingent upon contract extension by amendment)</u>	
Licensed Substance Abuse Counselor	\$32.81
Non-licensed Substance Abuse Counselor	\$28.45
<u>July 1, 2005 June 30, 2006 (Contingent upon contract extension by amendment)</u>	
Licensed Substance Abuse Counselor	\$34.12
Non-licensed Substance Abuse Counselor	\$29.59

The Contractor shall not be compensated for travel time to the primary location of service provision.

The Contractor shall submit monthly invoices for completed work, in form and substance acceptable to the State with all of the necessary supporting documentation, prior to any payment. Such invoices shall, at a minimum, include the name of each individual; the individual's job title; the number of hours worked each day during the period, specifying hours spent in group sessions (by group type), in individual counseling, drug testing, and other; the applicable Payment Rate; the total compensation requested for the individual; and the total amount due the Contractor for the period invoiced.

- C.4. Travel Compensation. The Contractor shall not be compensated or reimbursed for travel, meals, or lodging.
- C.5. Payment of Invoice. The payment of the invoice by the State shall not prejudice the State's right to object to or question any invoice or matter in relation thereto. Such payment by the State shall neither be construed as acceptance of any part of the work or service provided nor as an approval of any of the amounts invoiced therein.

- C.6. Invoice Reductions. The Contractor's invoice shall be subject to reduction for amounts included in any invoice or payment theretofore made which are determined by the State, on the basis of audits conducted in accordance with the terms of this contract, not to constitute proper remuneration for compensable services.
- C.7. Deductions. The State reserves the right to deduct from amounts which are or shall become due and payable to the Contractor under this or any contract between the Contractor and the State of Tennessee any amounts which are or shall become due and payable to the State of Tennessee by the Contractor.
- C.8. Automatic Deposits. The Contractor shall complete and sign an "Authorization Agreement for Automatic Deposit (ACH Credits) Form." This form shall be provided to the Contractor by the State. Once this form has been completed and submitted to the State by the Contractor all payments to the Contractor, under this or any other contract the Contractor has with the State of Tennessee shall be made by Automated Clearing House (ACH). The Contractor shall not invoice the State for services until the Contractor has completed this form and submitted it to the State.
- D. STANDARD TERMS AND CONDITIONS:
 - D.1. Required Approvals. The State is not bound by this Contract until it is approved by the appropriate State officials in accordance with applicable Tennessee State laws and regulations.
 - D.2. Modification and Amendment. This Contract may be modified only by a written amendment executed by all parties hereto and approved by the appropriate Tennessee State officials in accordance with applicable Tennessee State laws and regulations.
 - D.3. Termination for Convenience. The State may terminate this Contract without cause for any reason. Said termination shall not be deemed a Breach of Contract by the State. The State shall give the Contractor at least thirty (30) days written notice before the effective termination date.
 - D.3.a. The Contractor shall be entitled to receive compensation for satisfactory, authorized service completed as of the termination date, but in no event shall the State be liable to the Contractor for compensation for any service which has not been rendered.
 - D.3.b. Upon such termination, the Contractor shall have no right to any actual general, special, incidental, consequential, or any other damages whatsoever of any description or amount.

D.4. Termination for Cause. If the Contractor fails to properly perform its obligations under this Contract in a timely or proper manner, or if the Contractor violates any terms of this Contract, the State shall have the right to immediately terminate the Contract and withhold payments in excess of fair compensation for completed services. Notwithstanding the above, the Contractor shall not be relieved of liability to the State for damages sustained by virtue of any breach of this Contract by the Contractor.

D.5. Subcontracting. The Contractor shall not assign this Contract or enter into a subcontract for any of the services performed under this Contract without obtaining the prior written approval of the State. If such subcontracts are approved by the State, they shall contain, at a minimum, sections of this Contract pertaining to "Conflicts of Interest" and "Nondiscrimination" (sections D.6. and D.7.).

Notwithstanding any use of approved subcontractors, the Contractor shall be the prime contractor and shall be responsible for all work performed.

D.6. Conflicts of Interest. The Contractor warrants that no part of the total Contract Amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Contractor in connection with any work contemplated or performed relative to this Contract.

D.7. Nondiscrimination. The Contractor hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Contract or in the employment practices of the Contractor on the grounds of disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal, Tennessee State constitutional, or statutory law. The Contractor shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

D.8. Records. The Contractor shall maintain documentation for all charges against the State under this Contract. The books, records, and documents of the Contractor, insofar as they relate to work performed or money received under this contract, shall be maintained for a period of three (3) full years from the date of the final payment and shall be subject to audit at any reasonable time and upon reasonable notice by the State, the Comptroller of the Treasury, or their duly appointed representatives. The financial statements shall be prepared in accordance with generally accepted accounting principles.

- D.9. Monitoring. The Contractor's activities conducted and records maintained pursuant to this Contract shall be subject to monitoring and evaluation by the State, the Comptroller of the Treasury, or their duly appointed representatives.
- D.10. Progress Reports. The Contractor shall submit brief, periodic, progress reports to the State as requested.
- D.11. Strict Performance. Failure by any party to this Contract to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this Contract shall not be construed as a waiver or relinquishment of any such term, covenant, condition, or provision. No term or condition of this Contract shall be held to be waived, modified, or deleted except by a written amendment signed by the parties hereto.
- D.12. Independent Contractor. The parties hereto, in the performance of this Contract, shall not act as employees, partners, joint venturers, or associates of one another. It is expressly acknowledged by the parties hereto that such parties are independent contracting entities and that nothing in this Contract shall be construed to create an employer/employee relationship or to allow either to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.
- The Contractor, being an independent contractor and not an employee of the State, agrees to carry adequate public liability and other appropriate forms of insurance, including adequate public liability and other appropriate forms of insurance on the Contractor's employees, and to pay all applicable taxes incident to this Contract.
- D.13. State Liability. The State shall have no liability except as specifically provided in this Contract.
- D.14. Force Majeure. The obligations of the parties to this contract are subject to prevention by causes beyond the parties' control that could not be avoided by the exercise of due care including, but not limited to, acts of God, riots, wars, strikes, epidemics or any other similar cause.
- D.15. State and Federal Compliance. The Contractor shall comply with all applicable State and Federal laws and regulations in the performance of this Contract.
- D.16. Governing Law. This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The Contractor agrees that it will be subject to the exclusive jurisdiction of the courts of the State of Tennessee in actions that may arise under this Contract. The Contractor acknowledges and

agrees that any rights or claims against the State of Tennessee or its employees hereunder, and any remedies arising therefrom, shall be subject to and limited to those rights and remedies, if any, available under *Tennessee Code Annotated*, Sections 9-8-101 through 9-8-407.

- D.17. Completeness. This Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions of the parties' agreement. This Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the parties relating hereto, whether written or oral.
- D.18. Severability. If any terms and conditions of this Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions hereof shall not be affected thereby and shall remain in full force and effect. To this end, the terms and conditions of this Contract are declared severable.
- D.19. Headings. Section headings of this Contract are for reference purposes only and shall not be construed as part of this Contract.

E. SPECIAL TERMS AND CONDITIONS:

- E.1. Conflicting Terms and Conditions. Should any of these special terms and conditions conflict with any other terms and conditions of this Contract, these special terms and conditions shall control.
- E.2. Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Contract shall be in writing and shall be made by facsimile transmission, by overnight courier service, or by first class mail, postage prepaid, addressed to the respective party at the appropriate facsimile number or address as set forth below or to such other party, facsimile number, or address as may be hereafter specified by written notice.

The State:

Brenda Clark, Director of Substance Abuse Programs
 Department of Correction
 4th Floor, Rachel Jackson Bldg.
 320 Sixth Avenue North
 Nashville, Tennessee 37243-0465
 Telephone: 615-741-1000 ext. 4038
 Facsimile: 615-532-3065

The Contractor:

Dr. Kenneth D. Robinson, President
 Correctional Counseling, Inc.

3155 Hickory Hill, Suite 104
Memphis, Tennessee 38115
Telephone: 901-360-1564
Fax: 901-365-6146

All instructions, notices, consents, demands, or other communications shall be considered effectively given as of the day of delivery; as of the date specified for overnight courier service delivery; as of three (3) business days after the date of mailing; or on the day the facsimile transmission is received mechanically by the telefax machine at the receiving location and receipt is verbally confirmed by the sender if prior to 4:30 p.m. CST. Any communication by facsimile transmission shall also be sent by United States mail on the same date of the facsimile transmission.

- E.3. Subject to Funds Availability. The Contract is subject to the appropriation and availability of State and/or Federal funds. In the event that the funds are not appropriated or are otherwise unavailable, the State reserves the right to terminate the Contract upon written notice to the Contractor. Said termination shall not be deemed a breach of Contract by the State. Upon receipt of the written notice, the Contractor shall cease all work associated with the Contract. Should such an event occur, the Contractor shall be entitled to compensation for all satisfactory and authorized services completed as of the termination date. Upon such termination, the Contractor shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.
- E.4. Partial Takeover. The State may, at its convenience and without cause, exercise a partial takeover of any service which the Contractor is obligated to perform under this Contract, including but not limited to any service which is the subject of a subcontract between Contractor and a third party, although the Contractor is not in Breach (hereinafter referred to as "Partial Takeover"). Said Partial Takeover shall not be deemed a Breach of Contract by the State.
- E.4.a. Contractor shall be given at least thirty (30) days prior written notice of said Partial Takeover with said notice to specify the area(s) of service the State will assume and the date of said assumption.
- E.4.b. Any Partial Takeover by the State shall not alter in any way Contractor's other obligations under this Contract.
- E.4.c. The State may withhold from amounts due the Contractor the amount the Contractor would have been paid to deliver the service as determined by the State. The amounts shall be withheld effective as of the date the State assumes the service.

- E.4.d. Upon Partial Takeover, the Contractor shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.
- E.5. State Furnished Property. The Contractor shall be responsible for the correct use, maintenance, and protection of all articles of nonexpendable, tangible, personal property furnished by the State for the Contractor's temporary use under this Contract. Upon termination of this Contract, all property furnished shall be returned to the State in good order and condition as when received, reasonable use and wear thereof excepted. Should the property be destroyed, lost, or stolen, the Contractor shall be responsible to the State for the residual value of the property at the time of loss.
- E.6. Incorporation of Additional Documents. Included in this Contract by reference are the following documents:
- I) The Contract document and its attachments
 - II) All Clarifications and addenda made to the Contractor's Proposal
 - III) The Request for Proposal and its associated amendments
 - IV) Technical Specifications provided to the Contractor
 - V) The Contractor's Proposal

In the event of a discrepancy or ambiguity regarding the Contractor's duties, responsibilities, and performance under this Contract, these documents shall govern in order of precedence detailed above.

- E.7. Prohibited Advertising. The Contractor shall not refer to this Contract or the Contractor's relationship with the State hereunder in commercial advertising in such a manner as to state or imply that the Contractor or the Contractor's services are endorsed.
- E.8. Confidentiality of Records. Strict standards of confidentiality of records shall be maintained in accordance with the law. All material and information provided to the Contractor by the State or acquired by the Contractor on behalf of the State whether verbal, written, magnetic tape, cards or otherwise shall be regarded as confidential information in accordance with the provisions of State law and ethical standards and shall not be disclosed, and all necessary steps shall be taken by the Contractor to safeguard the confidentiality of such material or information in conformance with State law and ethical standards.

The Contractor will be deemed to have satisfied its obligations under this section by exercising the same level of care to preserve the confidentiality of the State's information as the Contractor exercises to protect its own confidential information so long as such standard of care does not violate the applicable provisions of the first paragraph of this section.

The Contractor's obligations under this section do not apply to information in the public domain; entering the public domain but not from a breach by the Contractor of this Contract; previously possessed by the Contractor without written obligations to the State to protect it; acquired by the Contractor without written restrictions against disclosure from a third party which, to the Contractor's knowledge, is free to disclose the information; independently developed by the Contractor without the use of the State's information; or, disclosed by the State to others without restrictions against disclosure.

It is expressly understood and agreed the obligations set forth in this section shall survive the termination of this Contract.

- E.9. Year 2000 Hold Harmless. As required by *Tennessee Code Annotated*, Section 12-4-118, the contractor shall hold harmless and indemnify the State of Tennessee; its officers and employees; and any agency or political subdivision of the State for any breach of contract caused directly or indirectly by the failure of computer software or any device containing a computer processor to accurately or properly recognize, calculate, display, sort or otherwise process dates or times.
- E.10. Hold Harmless. The Contractor agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims, liabilities, losses, and causes of action which may arise, accrue, or result to any person, firm, corporation, or other entity which may be injured or damaged as a result of acts, omissions, or negligence on the part of the Contractor, its employees, or any person acting for or on its or their behalf relating to this Contract. The Contractor further agrees it shall be liable for the reasonable cost of attorneys for the State in the event such service is necessitated to enforce the terms of this Contract or otherwise enforce the obligations of the Contractor to the State.

In the event of any such suit or claim, the Contractor shall give the State immediate notice thereof and shall provide all assistance required by the State in the State's defense. The State shall give the Contractor written notice of any such claim or suit, and the Contractor shall have full right and obligation to conduct the Contractor's own defense thereof. Nothing contained herein shall be deemed to accord to the Contractor, through its attorney(s), the right to represent the State of Tennessee in any legal matter, such rights being governed by *Tennessee Code Annotated*, Section 8-6-106.

- E.11. Tennessee Consolidated Retirement System. The Contractor acknowledges and understands that, subject to statutory exceptions contained in *Tennessee Code Annotated*, Section 8-36-801, *et. seq.*, the law governing the Tennessee Consolidated Retirement System, provides that if a retired member returns to

State employment, the member's retirement allowance is suspended during the period of the employment. Accordingly and notwithstanding any provision of this Contract to the contrary, the Contractor agrees that if it is later determined that the true nature of the working relationship between the Contractor and the State under this Contract is that of "employee/employer" and not that of an independent contractor, the Contractor may be required to repay to the Tennessee Consolidated Retirement System the amount of retirement benefits the Contractor received from the Retirement System during the period of this Contract.

IN WITNESS WHEREOF:

CORRECTIONAL COUNSELING, INC.:

Dr. Kenneth D. Robinson 9/26/01
Dr. Kenneth D. Robinson, President Date

DEPARTMENT OF CORRECTION:

Donal Campbell 10-15-01
Donal Campbell, Commissioner Date

APPROVED:

DEPARTMENT OF FINANCE AND ADMINISTRATION:

C. Warren Neel/MT JAN 07 2002
C. Warren Neel, Ph.D., Commissioner Date

COMPTROLLER OF THE TREASURY:

John G. Morgan 1/10/02
John G. Morgan, Comptroller of the Treasury Date